

AUTO COLLISION REPAIR LICENSING ADVISORY BOARD

MEETING MINUTES FOR February 24, 2010

Members present: Dave Reynolds, Chairman

Richard Bernstein, Legal Counsel – DBR

Tom Broderick, DBR

Dennis Gamba, Cranston Collision

Dave Doucet, Rhode Island State Police

Scott Wendel, Insurance Company

Jerry Galleshaw, Public Member

Chris Hurd, New Car Dealer

Dan Coleman, Auto Glass Industry

Others present: Don Prarie, Color Blends

Detective Jacques, RISP

Jina Petrarca-Karampetsos, PAB

Randy Bottello, Reliable Collision

Larry Alan, Nationwide

Scott Fowler, Met Life

Kim Precious, Implementation Aide

Evelyn Ferrara, Licensing Aide

MEETING CALLED TO ORDER AT 10:40 A.M.

Dave Reynolds: Introduction and welcome of new board member,

Chris Hurd, New Car Dealer Representative replacing Paul Kiernan.
Delayed voting on minutes until everyone has a chance to review.

Commercial Licensing Regulation 4

Larry Alan: Sub committee had a conference call discussion on 2/23/2010. Discussed concerns shops have regarding Insurers demanding a copy of the certification form at any time, for any reason, and how the form would be transmitted. The body shops also have some questions about what needs to be on the form, what DBR wants to have on the form, and why.

Richard Bernstein: DBR's intent is just a general road map, so that anyone reviewing the form can see basically what the understanding was, what the insured paid for, what the shop provided. And I think the deductible is also a very important issue.

Jina Petrarca-Karampetsos: Giving insurers an ability to access the form was certainly part of the intent of that law. What I am concerned about is listing the labor charge.

RB: That will not be in the form. That would be in the receipt. The primary focus is on the form itself.

Randy Botelho: We are trying to streamline it and put it into one. But at the same time we do not want it to be over-bearing and be

over-detailed. We are trying to get to the core of what we actually need to have.

RB: I just want to clarify that all DBR wants on the Certification is an understanding between the shop and the customer of what was done.

If an Insurance Company authorized Ten-Thousand Dollars of repairs but the insured said look it is my vehicle and I choose what I want to have done with it, and DBR supports that view, it could say the insurance estimate was 10,000, the insured requested 6,000 worth of repairs, here is what happened.

JPK: What happens when an appraiser says, I know you can buff that out of that grill but I am going to pay for a new grill to come to an agreed price. The repair order is not going to say that the grill was replaced but the appraisal is. Now when the insurance company compares the work-completed form and the appraisal is going to look like the shop-committed fraud.

RB: What you need to do on the certification form is have a disclaimer at the bottom that says that this Certification Form may not match the invoice directly because of concessions made by the insurance company appraiser. Do not forget this certification is under penalty of perjury.

JPK: Sometimes people want other work done.

RB: You can put down on the form a line that says additional work requested outside of the claim.

DR: Are we also dealing with the proprietary info for each shop and how they conduct their business?

JPK: No, the repair bill is different. That is between you and your customer. The work-completed form is between you, your customer and the insurance company. If you choose to attach the repair form to the work completed form that is up to you.

RB: Let me clarify this for the meeting. Section 5-38-29, talks about the repair bill and the invoices, that is between you and the insured. The law states, “ Each repair bill should contain an itemized listing of the manufactured parts, used parts and generic parts installed by the licensee to repair the vehicle.” 5-38-28, talks about the repair certification form. It states, “DBR is authorized to create the form, which is executed by the insured and the automobile repairer and is to certify under penalty of perjury that the repairs to the vehicle were actually made.”

Dennis Gamba: In our conference call yesterday the topic came up that DBR was requesting that we make a list, more importantly, of what was not done to the car and I want to clarify that.

RB: No. If it is a partial repair you need to put that on the work

certification form.

DG: So the bottom line is, if the repair shop attaches the work certification form of the actual repairs to the vehicles, and he makes sure to put a bottom line of say 4,000, we are done, that is it.

RB: You still have to fill out the form.

DG: I can't see putting down what was done, what we didn't do.

Dave Doucet: I just want to see the insured's signature on the form stating what was done, what was not done and if they are satisfied with it. I don't care what was disclosed or not disclosed. I want to see that the customer was satisfied as to what was done.

RB: DBR has to understand in summary what happened. If we have that form and we get a complaint, we can say, look Mrs. Jones, you got Ten-Thousand Dollars, you told the shop to only repair Six-Thousand Dollars, it protects the shop.

DR: The most important part of this equation is the customer acknowledges what took place.

LA: If I could raise one issue. Section 2 (d) makes the form an authorization for direct payment. I don't think that is appropriate in this form because we do not get this form. Can that be taken out?

They need to be separated.

DG: I would suggest that the form could be faxed to the insurer by the shop to eliminate postage.

LA: The shops and the insurer can make arrangements for delivery. Leave it open fax, scan or mail. I think reasonable language will cover all functions.

DR: Agreed. How close are we?

LA: We should have something before next month's meeting.

DR: It looks like everyone is agreeing.

LA: When this goes to hearing, there may be some insurers that will say "no", we don't like this, or there may be some body shops that don't agree.

DG: To make one suggestion, can we put it before the board before it actually goes to hearing?

RB: Sure, the recommendation comes from the advisory board, and then it goes to DBR. DBR has the right to accept, reject or modify. But, as a courtesy before we actually cement the thing, I would have no problem un-officially circulating it one more time to make sure

there is not an omission.

DR: There was something posted on Reg 76 by Beth Dwyer. Collision re-inspection.

LA: There used to be a mandatory pre-insurance inspection requirement. We went to the legislature and asked them to make it discretionary. The point was to add some flexibility to that process. The same approach is being taken with the mandatory 10% re-inspection requirement. We asked that the regulation be amended to make it discretionary. It is just to add some flexibility to that process.

DD: Will the Certification Form also apply to Direct Repair shops?

LA: These forms are used by all shops.

Kim Precious: Will it also include Glass Shops, because that form is also in Regulation 5?

Dan Coleman: What would the change be?

KP: Glass Regulation 5 has the same Certification of Automobile Repairs for Appendix A.

DC: Each job I do I have to fill this out? I've been in the business

since 1987 and I've never heard of it. If I do 20 jobs I am lucky if 1 is insurance.

RB: Maybe we need to scale down Reg 5. It sounds like the glass shops are not complying with this to begin with.

DC: To change this, you have to go in front of somebody? I don't want to change it. I think if it is not broke why fix it.

KP: Well, it is in the Regulation now. It is supposed to be done and it is not being done.

DR: If they do not change it to read what you want it to, then you are not in compliance and they can take your license.

DC: Why don't you get all the shops licensed first? You are putting a lot of things on the board that they do not have the time to do.

RB: Can I ask the committee for some recommendations on Regulation 5 -Motor Vehicle Glass Installation that has a lot of the same wording from Regulation 4.

Randy: We have not just one, but multiple issues to address in Regulation 5.

RB: The problem right now is Regulation 5, Section 6, "Every

licensee and insurance company shall complete work completion certification attached hereto as Appendix A.” What we are going to have to do is redo Section 6. Make is similar to what the CLR4 changes are.

Randy: I would recommend that you scratch it completely. It is unnecessary for them; it can be addressed in Regulation 4, by stating that the work-completed form shall not apply to glass replacement. Regulation 5 has to be gone through. This was put on the back burner because of the certification of technicians and other issues

DR: There were also discrepancies if the board had jurisdiction.

Randy: Now that it has been established that we do, this is the next issue that we need to hear. We have to go through getting the glass shops licensed, and the certification of technicians.

RB: So we will tackle Regulation 5 next. Although, we have been put on informal notice that the glass industry is not doing the forms. Tom. Are you doing any inspections?

Tom Broderick: There is one right now. First thing to do is check the ones that didn't renew.

KP: Evelyn is compiling a list of glass shops that did not renew, I will send out a reminder letter giving them one more chance to send in

their renewal, and then I will send Tom out to collect the licenses. There were 39 licensees last renewal. Only about half have renewed.

Randy: How many body shops failed to renew in this last renewal?

KP: I think a third of the body shops did not renew.

DC: How many licensed auto body shops was there in 2009?

KP: I think about 300.

DC: So if you have 1/3. That is about 100 Auto Body.

DR: That is not a good sign.

RB: I'd like to remind the insurers in the room you are not allowed to do business with unlicensed shops.

Randy: There is a law/regulation that states body shops must post their license number on all signs, stationary, and cards.

DC: Does that apply to glass?

DR: Yes. Are there any other questions on that? Back to the minutes of the previous meeting, are there any questions on those minutes? Is there anything that needs to be amended? Motion to pass.

Seconded by DG, All in favor, Motion Passed.

New Business

RB: FYI. A member of the public that operated a mobile paint business was here and he wanted to see me after this meeting. I told him we follow the new law that outlaws mobile painting. He said he did not know about the change in the law. I said ignorance of the law is no excuse. He was complaining he was put out of business. He said other states allow this type of work. I told him his remedy was to get the law amended or changed. That was satisfactory to him. He left before we started.

Randy: EPA had been required to come up with regulations, and finally did. The new requirement from the EPA does address out door spraying. They specifically say that it needs to be done within an enclosure, it has to be ventilated with an exhaust, and technicians have to be certified.

LA: If the EPA has now set a standard, why not repeal the law. As I recall the board focused primarily with the environmental aspects.

JPK: There was a major issue with the fire codes, and transportation of chemicals.

DR: Federal government sets the minimum guidelines, but they also

said that each state can set much more stringent guidelines. The transportation of those chemicals became a concern because they were being housed inside vans where there was no ventilation. There are highly explosive chemicals being stored, in a van in the summer time. By doing this you could have a potential bomb in the parking lot that nobody knows about.

LA: If there is an effort to try to control elements of that process, the storage of chemicals, why not continue an effort to create controls as opposed to banning the business. I never understood banning the business as an answer.

RB: It is up to the legislature.

JPK: I always believed that the law, 5-38, as it was written last year, before this law was passed, bans it anyway. It states, "All Auto Body work has to be conducted in a building." Also, the definition of a repair includes painting.

DR: The very definition of an "Auto body shop," "includes any establishment, garage, or work area enclosed within a building where repairs are made or caused to be made to automobile bodies".

RB: Before we adjourn, just a reminder, today we talked about un-licensed activity, we do not have the resources to actively find it, so if anybody on the board or members of the public see it, we need

to know about it.

DG: I had a shop call me; they had a car that was totaled. The customer signed the car over to the shop. The insurance company did not want to pick it up. Does a licensed PUC tow truck have to pick it up?

RB: Yes.

DG: He can't come and pick it up with a trailer?

RB: Right now the certified tower can bring it to a crusher. But we have a law that is being introduced that will create something called a dismantler plate. All licensed salvage yards would have to have a dismantler plate. Only licensed salvage yards with dismantler plates would be able to bring a car to a crusher.

DG: Are they going to be licensed by PUC?

RB: No. The DMV.

DG: They can't have Harry's towing, who is registered with the PUC, pick it up?

RB: No. With this bill, the only entity that can bring a junk vehicle to the crusher is a licensed salvage yard with a truck with dismantler

plates.

JPK: The only way you can get a dismantler plate is to be a licensed salvage yard.

RB: YES.

DR: Any more questions on CLR4 or anything else? Motion to adjourn: Seconded GG, All in favor. 11:45 meeting adjourned.